

TRANSMITTAL # 1

MEMORANDUM

February 13, 2004

TO: Workforce Development Council

FROM: Roger B. Madsen, Director

SUBJECT: Workforce Investment Act PY 2003 Incentive Allocations

ACTION REQUESTED: Approve distribution of Idaho's WIA Incentive and Technical Assistance Funds

BACKGROUND:

Idaho's WIA PY 2003 state budget reserves 10% of the State 15% Reserve, or approximately **\$177,781**, to support incentive allocations to the six *IdahoWorks* areas based on exemplary performance. The State's Strategic Five Year plan describes the following process for allocating the funds. The incentive fund allocations are based on the WIA 17 core performance standards. Idaho adopted a process for determining local eligibility for incentive funds similar to the USDOL process for State eligibility for incentives. In Idaho, an area must attain a 100% or higher cumulative average for each program area (adults/youth/dislocated worker) and the customer satisfaction measures to qualify for incentive funds. No individual program may have a cumulative average of less than 100%. In addition, none of the 17 measures may fall below 80% of an area's negotiated performance levels to be eligible to receive incentive funds.

Based on the concerns of the U.S. General Accounting Office regarding the WIA performance measures, the Council, at its March 26, 2002 meeting, agreed to delay implementation of the state's allocation process for WIA performance incentive funds until PY 2002 performance data became available. This allowed the six local areas sufficient time to make sufficient progress for successful implementation of the WIA program. As a result of this action, incentive funds were equally divided among the six areas for PY 2000 and 2001. Because the PY 2002 performance data is available, the state's incentive allocations policies are again in effect.

Attached is a table depicting the State's and six local areas' performance for PY 2002. Overall, the data shows that significant progress has been made in implementing WIA. The State met or exceeded 16 of the 17 core measures. The State's Dislocated Worker Earnings Replacement Rate is at 96.8% of the negotiated goal; however, the overall WIA performance exceeds the USDOL's requirement to qualify for incentive funds.

Although the State has exceeded the USDOL's WIA incentive fund requirements and these outcomes represent the composite performance of all local areas, only those local areas meeting the eligibility criteria for incentive funds will receive an equal share of the **\$177,781** incentive funds based on their PY 2002 performance.

Five areas (Regions I through V), qualify for incentives under the State's incentive allocation policies based on the PY 2002 performance data, while Region VI would not be eligible because it did not meet the required 80% minimum level of performance on one of the 17 measures. Under the current policy, areas that fall below 80% of a standard for one year are required to develop a corrective action plan to improve performance in the area demonstrating underperformance. The WIA also requires that the State provide technical assistance to those areas that fail to achieve the performance measures; the Workforce Development Council has approved the use of the Governor's 15% funds for this purpose.

RECOMMENDATION:

Staff recommend that the **\$177,781** of incentive funds be equally divided among all five qualifying areas. Staff further recommend that Region VI be awarded up to \$10,000 from the Governor's 15% funds to devote exclusively towards technical assistance to improve their performance for the upcoming year.

The Idaho Department of Labor will work with the region to help develop and implement a corrective action plan to address this performance issue. The State will continue to assist all local areas in improving program performance and in managing the overall performance measurement system.

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Attachment

WORKFORCE INVESTMENT ACT PY 2002 PERFORMANCE DATA

	Goal	State	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6
Adult Programs								
Employment	72%	89%	84%	86%	98%	93%	93%	81%
Employment Retention	81%	89%	88%	93%	84%	94%	83%	94%
Average Earnings Change	\$3,700	\$3,878	\$3,148	\$4,095	\$3,665	\$5,553	\$4,909	\$4,742
Employed and Credential	47%	68%	59%	57%	75%	68%	86%	79%
Dislocated Worker								
Employment	77%	93%	93%	94%	92%	97%	97%	93%
Employment Retention	88%	92%	91%	88%	94%	87%	93%	91%
Earnings Replacement Rate	94%	91%	95%	87%	84%	99%	108%	93%
Employed and Credential	47%	70%	60%	65%	76%	59%	80%	70%
Older Youth								
Employment	70%	87%	78%	83%	91%	100%	100%	100%
Employment Retention	81%	86%	93%	81%	82%	100%	100%	70%
Average Earnings Change	\$2,800	\$2,910	\$3,220	\$2,344	\$2,534	\$6,804	\$5,081	\$1,118
Employed and Credential	37%	56%	47%	33%	71%	63%	67%	58%
Younger Youth								
Skill Attainment Rate	74%	87%	85%	84%	85%	94%	94%	88%
Diploma or Equivalent Rate	55%	75%	63%	78%	79%	63%	95%	70%
Retention Rate	56%	80%	72%	88%	82%	93%	90%	81%
Customer Satisfaction Scores								
Participants	70	84	84	82	76	91	82	86
Employers	68	84	88	85	83	82	NA	NA